Global Eagle™

# First Quarter 2019 Results

May 14, 2019

# Forward-Looking Statements

We may make forward-looking statements in this presentation within the meaning of the Securities Litigation Reform Act of 1995. These forward-looking statements include, without limitation, statements with respect to our expected Adjusted EBITDA, revenue and margin growth in future periods, our aviation-connectivity installations in future periods, the impact of the Boeing 737 MAX aircraft grounding on our financial performance, our business and financial-performance outlook and goals (including our assumptions therein relating to growth in fleet count, ARPA growth, opex savings, stable capex spend and lower satellite-bandwidth spend in future periods), industry, business strategy, plans, the potential sale of certain businesses and assets, business and M&A integration activities, capital expenditures, operating-expense and cost-structure improvements and reductions, future operations, margins, profitability, future efficiencies and other financial and operating information. These statements may be preceded by, followed by or include the words “may,” “might,” “will,” “will likely result,” “should,” “estimate,” “plan,” “project,” “forecast,” “intend,” “expect,” “anticipate,” “believe,” “seek,” “continue,” “target” or similar expressions. These forward-looking statements are based on information available to us as of the date they were made, and should not be relied upon as representing our views as of any subsequent date. These forward-looking statements are subject to a number of risks and uncertainties, including without limitation those risks and uncertainties described in our most recent annual report on Form 10-K. As a result, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. We do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

# Management Presentation

**Josh Marks**
Chief Executive Officer

**Paul Rainey**
Chief Financial Officer

**Christian Mezger**
Chief Financial Officer (eff. May 16)

**Peter Lopez**
VP Finance & Investor Relations

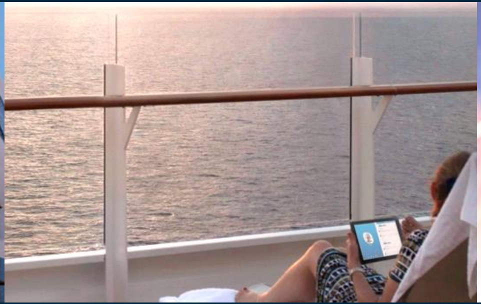
**Per Norén (for Q&A)**
President

**Jeff Leddy (for Q&A)**
Executive Chairman

# Company Overview

Global Eagle™

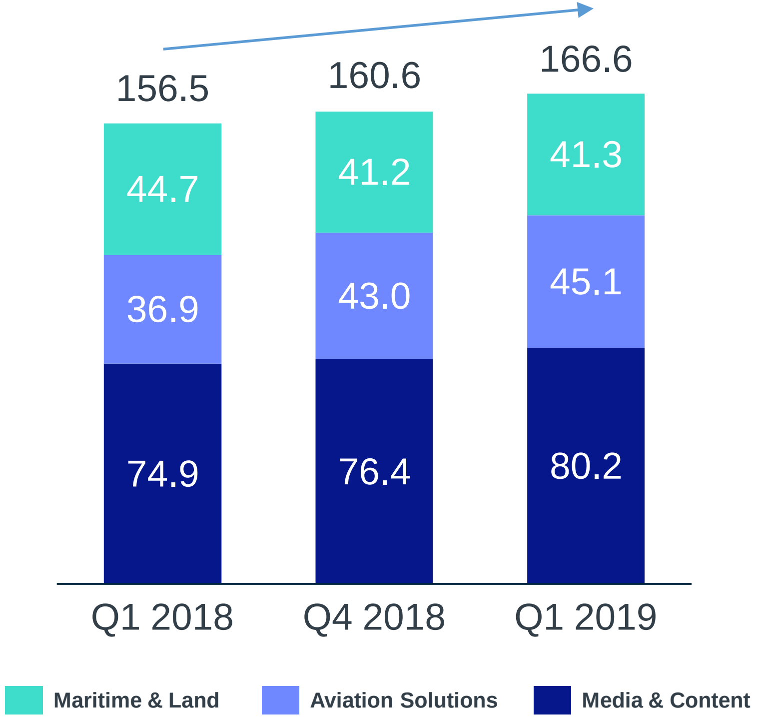
# Solutions that connect, entertain and inform passengers and remote workers, enriching time with fast Internet, live TV, games and applications

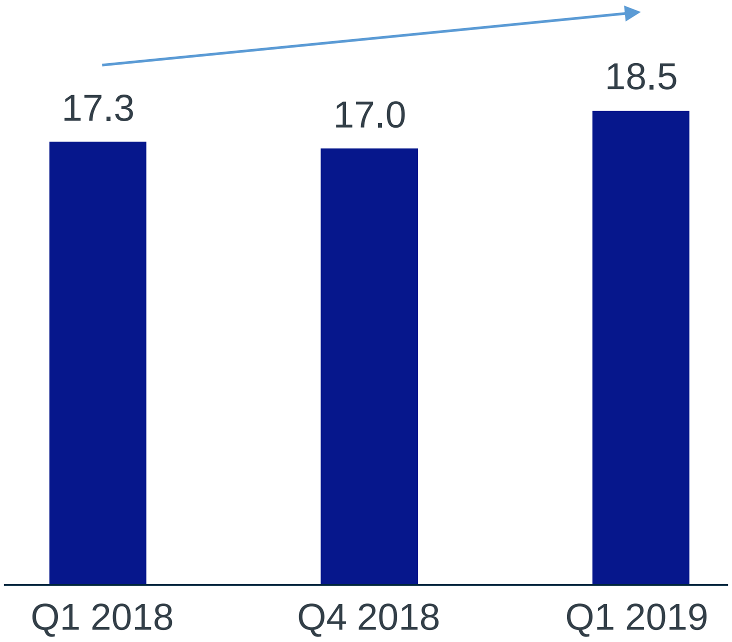
# 1Q 2019 Financial Results

*USD millions*

## Revenue Trend



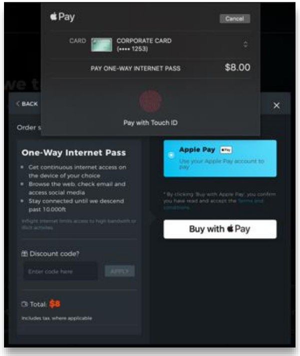

## Adjusted EBITDA[1]

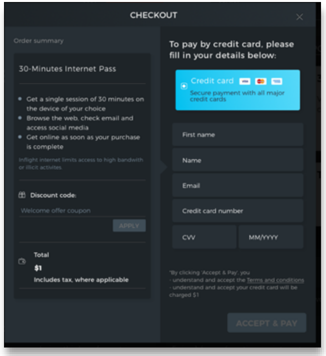



[1] *See the "Non-GAAP Reconciliation" and "Adjusted EBITDA Definition" slides in the back of this presentation.*

# Aviation Connectivity Update

- 37 installations in 1Q19 (22 activations, 15 to be activated)
- Expect >100 additional installations during 2019
- No change to full-year MAX installation projection
- New coverage for Hawaii, Caribbean and Mexico
- Transitioned add'l capacity to high-speed HTS satellites
- New IFC program award (single-aisle for EMEA airline) that efficiently builds scale on EMEA high-speed network

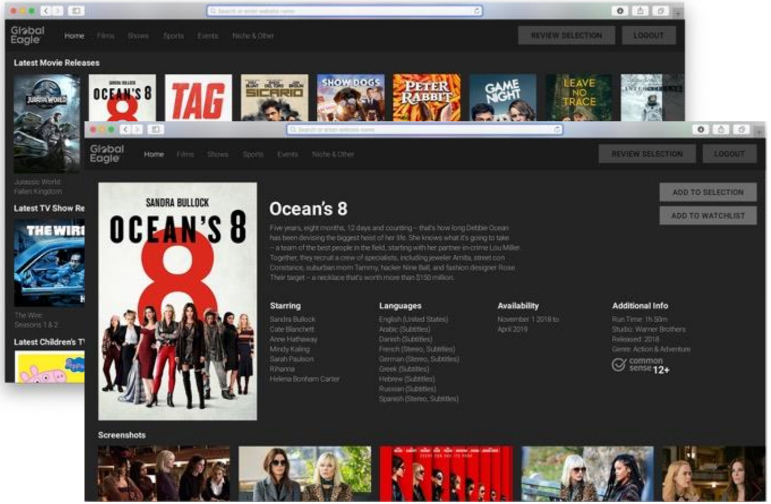




## Key Selling Points

- Strong performance & reliability from three-axis antenna
- Timely program execution driving pipeline strength
- Integrated passenger portal with entertainment, biometrics
- Efficient network utilization enhancing performance

# Media & Content Update

- New and expanded contracts announced during 2018 are now generating significant revenue
- Major new content services account starts July 2019
- Digital content supply chain enabling new content sources and formats (e.g. 4K and HD content)




## Market Growth Drivers

- Seatback screen installations continue to grow
- New growth from wIFE and connectivity w/on-board media (we serve 2,300+ aircraft with non-seatback IFE)
- Expect long-term revenue growth 5%+ (higher in 2019)

## Key Selling Points

- Content curation and global content library
- Proven execution of multi-lingual, multi-region airlines
- Digital content supply chain (4K, UHD capabilities)

# Maritime & Land Market Update

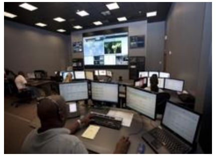
## Cruise & Ferry

- New multi-year cruise contracts in place
- 285 vessels in service
- Launched television on major new customer with additional global channels now online
- Revenue share on major cruise line (renewed 4Q 2018) performing better than expected

## Other Maritime, Enterprise & Government Segments

- Strong customer renewals in yachts
- MNO wind-down substantially complete by YE 2019
- Enterprise ex-MNO site count up +2% year over year
- Government subcontractor relationships ramping with expected growth in coming quarters



# Transformation Initiatives

| | |
|---|---|
| **Revenue Growth** | • Drive top-line through aircraft activations, new content customers, cruise TV services<br>• Maintain supply chain momentum |
| **Labor-Related Actions** | • Reduce salaries and benefits by 20% this year (run-rate saving of $20 million)<br>• Tracking targets, with 23 VP, SVP and EVP roles eliminated |
| **Expense Controls** | • Operating expense controls (Travel & Entertainment, etc.)<br>• Facilities consolidation (18 facilities exited by YE 2019)<br>• Reduce professional services spend (above- and below-line)<br>• Reprice bandwidth to market or better as contracts expire |

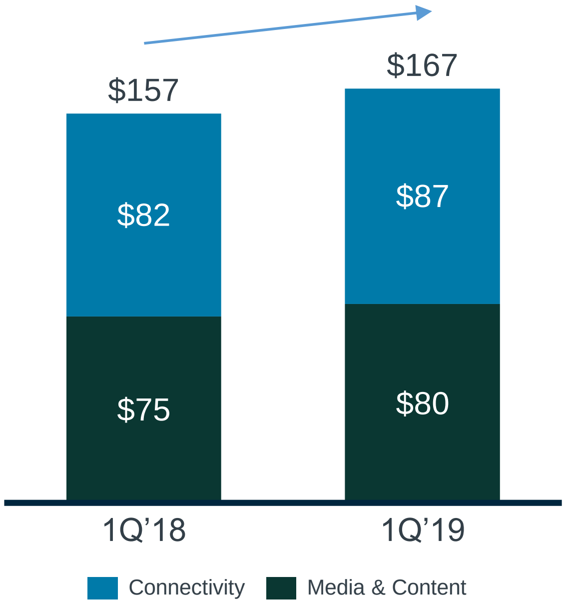
- Focus on recycling working capital: reinvest equipment revenue in supply chain
- Reduce capital expenditures
- Evaluating strategic divestment of non-aviation business units

# Financial Overview

# 1Q 2019 Financial Results

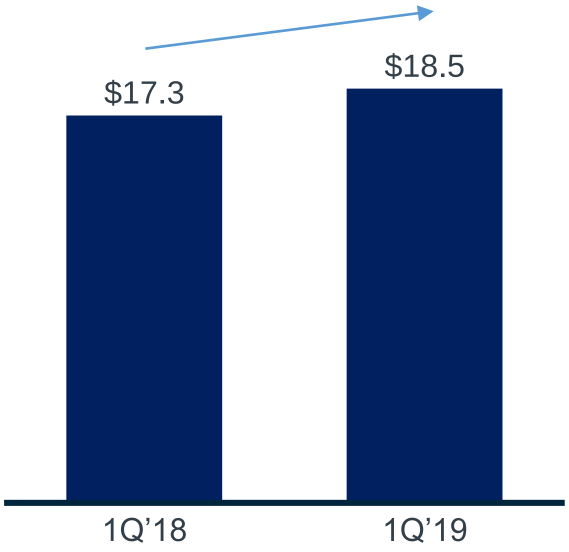
## Revenue

*In millions*




## Adjusted EBITDA [1]

*In millions*




[1] *See the “Non-GAAP Reconciliation” and “Adjusted EBITDA Definition” slides in the back of this presentation.*

# Financial Priorities

## Revenue Growth

- Content wins ramping now
- New IFC award announced today
- Maintain/increase current installation pace
- Cruise contract renewals ahead of estimates

## Gross Margin Expansion

- 6% improvement 4Q18 to 1Q19
- New aircraft installations leverage existing network infrastructure – drive ROI
- Achieving savings from renewing expiring bandwidth at market rates
- Cost actions taken in 1Q19
- Continue to expect 25% connectivity gross margin over long term

## Liquidity & Free Cash Flow

- $51 million liquidity at end of 1Q
- Path to positive free cash flow
  - Revenue growth
  - Gross margin expansion
  - Reduced below the line expenses
  - Cash capex spend $9.1 million
    - Half is non-recurring

# Christian Mezger

## Appointed CFO effective May 16, 2019

| | |
|---|---|
| Location | Los Angeles, CA (Corporate HQ) |
| Education | Universität Wien, BS Business Mgmt., 1996 |

| **2011-2019 Ciber, Inc.** | |
|---|---|
| 2017-2019 | President & Chief Executive Officer (through acquisition by HTC) |
| 2014-2017 | EVP & Chief Financial Officer |
| 2011-2014 | SVP, Corporate Finance |

| **1996-2011 Hewlett Packard** | |
|---|---|
| 2010-2011 | VP, Technology Services Finance |
| 2009-2010 | VP, Worldwide FP&A |
| 2007-2009 | Senior Director, Corporate Planning & Finance |
| 2004-2007 | Director, Office of Strategy & Tech. Finance |
| 2000-2004 | Finance Manager, Strategic Finance & Special Projects |
| 1998-2000 | Manager, Business Controlling/Support Products, Compaq |
| 1996-1998 | Financial Analyst, Compaq |

# Q&A Session

# Non-GAAP Reconciliation (1Q19 vs. 1Q18)

| | Three Months Ended March 31, | |
|---|---|---|
| **Net loss to Adjusted EBITDA reconciliation** | **2019** | **2018** |
| Net loss | (37,609) | (38,284) |
| Interest expense, net | 21,277 | 15,597 |
| Income tax expense (benefit) | 130 | (4,709) |
| Depreciation and amortization and loss on disposal and impairment of fixed assets | 22,116 | 25,253 |
| Change in fair value of financial instruments | (938) | (564) |
| Other expense | 2,311 | (438) |
| Stock-based compensation expense | 1,289 | 3,644 |
| **EBITDA** | **8,576** | **499** |
| Strategic-transaction, integration and realignment expenses | 4,700 | 3,079 |
| Internal-control and delayed audit expenses | 3,453 | 13,706 |
| Excess content expenses | - | - |
| Non-ordinary-course legal expenses | 596 | - |
| Losses on significant customer bankruptcies | 1,164 | - |
| **Adjusted EBITDA** | **18,489** | **17,284** |

# Non-GAAP Reconciliation (1Q19 vs. 4Q18)

| | Three Months Ended | |
|---|---|---|
| **Net loss to Adjusted EBITDA reconciliation** | **March'19** | **December'18** |
| Net loss | (37,609) | (109,177) |
| Interest expense, net | 21,277 | 20,818 |
| Income tax expense (benefit) | 130 | 1,203 |
| Depreciation and amortization and loss on disposal and impairment of fixed assets | 22,116 | 25,954 |
| Change in fair value of financial instruments | (938) | (384) |
| Other expense | 2,311 | 53,544 |
| Stock-based compensation expense | 1,289 | 3,025 |
| **EBITDA** | **8,576** | **(5,017)** |
| Strategic-transaction, integration and realignment expenses | 4,700 | 14,399 |
| Internal-control and delayed audit expenses | 3,453 | 2,649 |
| Excess content expenses | - | - |
| Non-ordinary-course legal expenses | 596 | 2,515 |
| Losses on significant customer bankruptcies | 1,164 | 2,484 |
| **Adjusted EBITDA** | **18,489** | **17,030** |

# Adjusted EBITDA Definition

To supplement our consolidated financial statements, which are prepared and presented in accordance with accounting principles generally accepted in the United States, or GAAP, we present Adjusted EBITDA, which is a non-GAAP financial measure, as a measure of our performance. The presentation of Adjusted EBITDA is not intended to be considered in isolation from, or as a substitute for, or superior to, net income (loss) or any other performance measures derived in accordance with GAAP or as an alternative to net cash provided by operating activities or any other measures of our cash flows or liquidity. For a reconciliation of Adjusted EBITDA to its most comparable measure under GAAP, please see the table entitled "Non-GAAP Reconciliation" on the prior slides. Further, we note that Adjusted EBITDA as presented herein is defined and calculated differently than the "Consolidated EBITDA" definition in our senior secured credit agreement and in our second lien notes, which Consolidated EBITDA definition we use for financial-covenant-compliance purposes and as a measure of our liquidity.

Adjusted EBITDA is one of the primary measures used by our management and Board of Directors to understand and evaluate our financial performance and operating trends, including period to period comparisons, to prepare and approve our annual budget and to develop short and long term operational plans. Additionally, Adjusted EBITDA is one of the primary measures used by the Compensation Committee of our Board of Directors to establish the funding targets for (and subsequent funding of) our Annual Incentive Plan bonuses for our employees. We believe our presentation of Adjusted EBITDA is useful to investors both because it allows for greater transparency with respect to key metrics used by our management in their financial and operational decision-making and because our management frequently uses it in discussions with investors, commercial bankers, securities analysts and other users of our financial statements.

We define Adjusted EBITDA as net income (loss) before (a) interest expense (income), (b) income tax expense (benefit) and (c) depreciation and amortization (including relating to equity-method investments) and (gain) loss on disposal and impairment of fixed assets, and we then further adjust that result to exclude (when applicable in the period) (1) change in fair value of financial instruments, (2) other (income) expense, including (gains) losses from foreign-currency-transaction (gains) and from other investments, which include impairment charges relating to our joint ventures, (3) goodwill impairment expense, (4) stock-based compensation expense, (5) strategic-transaction, integration and realignment expenses (as described below), (6) auditor and third-party professional fees and expenses related to our internal-control deficiencies (and the remediation thereof) and complications in our audit process relating to our control environment, (7) excess content expenses (as described below), (8) non-ordinary-course legal expenses (as described below) and (9) losses related to significant customer bankruptcies or financial distress (as described below). Management does not consider these items to be indicative of our core operating results.

# Adjusted EBITDA Definition (continued)

"Excess content expenses" includes the additional purchasing costs that we incurred in 2017 to procure movie content for our customers, notwithstanding that we could have procured equivalent content under our (preferential-pricing) output arrangements with major studios. We incurred these additional costs because we could not timely identify and measure our movie-content expenditures and procurement during the period due to weaknesses in our control environment.

"Losses related to significant customer bankruptcies or financial distress" includes (1) our provision for bad debt associated with the bankruptcies of Air Berlin and Alitalia (two of our Media & Content customers) in 2017 and Ocean Air (our Media & Content and Connectivity customer) in 2018, (2) the costs (e.g., content acquisition fees) that we incurred to maintain service to those customers during their bankruptcy proceedings in order to preserve the customer relationship and (3) costs relating to providing services to customers for whom we recognize revenue on a cash basis due to their financial distress.

"Non-ordinary-course legal expenses" includes third-party professional fees and expenses and estimated loss contingencies, provisions for legal settlements and other expenses associated with the securities class-action lawsuits filed against us in 2017, non-ordinary-course employment, corporate and intellectual-property-infringement disputes, and the initial setup of our General Data Protection Regulation (GDPR) and Communications Assistance for Law Enforcement Act (CALEA) compliance programs.

"Strategic-transaction, integration and realignment expenses" includes (1) transaction and procurement-related expenses and costs (including third-party professional fees) attributable to acquisition, financing, investment and other strategic-transaction activities (including for new product and proof-of-concept testing), (2) integration and realignment expenses and allowances, (3) employee-severance, -retention and -relocation expenses, (4) purchase-accounting adjustments for deferred revenue, costs and credits associated with companies and businesses that we have acquired through our M&A activities, (5) service-level-agreement penalties incurred during our Eagle-1 migration and setup in its new orbital slot in 2017 and (6) estimated loss contingencies, provisions for legal settlements and other expenses related to claims at companies or businesses that we acquired through our M&A activities for underlying liabilities that pre-dated our acquisition of those companies or businesses.